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SUBJECT: WHILE ABYEI TEETERS ON THE EDGE, COMPLEX BUDGETING
PROCEDURES FRIUSTRATE ADMINISTRATOR

REF: KHARTOUM 91

1. (SBU) SUMMARY. Over eight months after the June 8 Roadmap Agreement was signed, the Abyei Interim Administration remains stymied by a critical lack of funding. GoS officials described complex and confusing financing procedures, and blame the AIA for failing to take the steps necessary for money to be disbursed. Frustrated and mistrustful of the NCP, Administrator Arop Mayok has withdrawn to Juba for the last few weeks, but will return to Abyei today. The AEC has encouraged Mayok to meet again with the Finance Ministry, while CDA Fernandez has put the NCP on notice that it needs to ensure that the money is allocated soon. END SUMMARY.

GoS Describes Complex Funding Procedures

2. (SBU) On February 17, the Assessment and Evaluation Commission (AEC) hosted an informal briefing by GoS officials for the SPLM, AEC coordinators, and the UN. Among the GoS officials present were Unity Fund chair Yahya Babiker (NCP), the NCP's Minister of State for Presidential Affairs, Idris Abdelgadir, and Minister of Cabinet Affairs Kosti Manibe (SPLM). AEC Chairman Derek Plumbly noted that there is a "serious vacuum" in Abyei, due to the lack of funding for the Abyei Interim Administration (AIA). He added that the AIA was to have been in place two weeks after the Roadmap was signed in June, and the IDPs were to have returned home by the end of that month, but seven months later neither has occurred. He mentioned that only the previous day, an enraged IDP had shot and killed three Dinka police officers and wounded one other. UN Head of Office for Abyei Chris Johnson added that the situation in Abyei never is stable, and "now it is beginning to get worse." She noted that if "yesterday's clash had been between Dinka and Misseriyya Arabs, the situation could have exploded." She added that both Administrator Arop Mayok and his deputy have been absent from Abyei for some time. CDA Fernandez commented that many of the actions that need to be taken were being discussed in September and are still pending. This is inexcusable and dangerous. In the meantime, tensions in Abyei are building.

3. (SBU) Note: Separately, the UN Head of Office told econoff that the situation in Abyei is "quite fragile." She said that public trust in the security forces had collapsed following the December gun battle between the JIU and JIPU. This, combined with the lack of a functioning administration and nervousness that the decision of the Abyei boundary arbitration panel could result in renewed north-south conflict, have led most of the thousands of IDPs to delay returning home until at least after the arbitration decision is announced. End note.

4. (SBU) GoS officials present blamed the AIA for having failed to take what they claimed are the necessary steps to permit the disbursement of funds. The ambitious (approx. US\$89 million) 2009 budget presented by the AIA had incorrectly assumed all AIA funding

would come from oil revenues and treated administrative and development spending the same, they said. As explained by the GoS Finance Ministry, AIA's own costs (salaries and operating expenses) must be funded by the GNU under "normal budget procedures." (They estimated that these costs "are not huge," less than US\$10 million.) US\$1 million in "seed money" already has been disbursed but not spent. The oil revenues are reserved for development (capital) programs. According to the Finance Ministry, to receive the promised oil revenues, the AIA must establish a separate Abyei Relief and Development Fund (ARDF) in which the Finance Ministry can deposit funds, and take steps to authorize the transfer.

15. (SBU) Separately, AIA also will administer the two percent of revenues set aside for use by the Ngok Dinka. For this, the AIA must establish an additional account and then consult with Ngok Dinka leaders on how the tribe desires the money to be used before any of it is spent. The additional two percent set aside for the Misseriya is to be administered separately, possibly by the governor of Southern Kordofan state. (Note: Recently, Misseriya elder Sadiq Babu Nimr told CDA Fernandez that the Misseriya mistrust Southern Kordofan's governor and would prefer other arrangements to disburse the money. End note.) In addition, the Unity Fund, established by the Roadmap agreement to finance development along the north-south border, has been ordered to give priority to projects in Abyei, include a major road linking Muglad in Kordofan to Wau in Western Bahr al-Ghazal.

16. (SBU) AEC Chairman Plumbly noted that interim administrator Mayok is frustrated by the complicated procedures described, which he does not clearly understand. He said that Mayok also has been misinformed, for example, having been told that he would be responsible for administering the Misseriya, as well as the Ngok

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Dinka funds. Any inclusion of the Misseriya in Abyei discussions is seen by the SPLM and the Ngok Dinka as an NCP "Trojan horse" seeking to establish improper Misseriya claims to Abyei.

Next Steps

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17. (SBU) The coordinators and the SPLM agreed that they would strongly encourage Abyei Administrator Mayok to come to Khartoum as soon as possible to sit down with GoS Finance Ministry officials to be clearly briefed on the necessary steps. The coordinators agreed that they would meet Mayok beforehand to prep him for his briefings from the GoS, and afterwards encourage him to return to Abyei to take direct charge of the AIA. CDA Fernandez warned the NCP officials again that it would be extremely regrettable if Abyei blows up again as happened in May 2008 because of the inability of GOS officials to get the money flowing. Plumbly noted that a related problem is the difficulty of Western NGOs seeking to work in the Three Areas getting visas and travel permits. There are about \$30 million set aside which cannot be spent because of GOS obstacles and a lack of a local administration. He said he would follow up with the usually obstreperous HAC to try to improve NGO access and hold a meeting on this specific concern.

18. (SBU) While attending a DDR conference in Juba on February 16, CDA had asked for a meeting with Mayok, accompanied by the Dutch Ambassador (who heads AEC's Three Areas Working Group) and Plumbly. Mayok, accompanied by AIA Financial Secretary Deng Air Deng, was both confused and defiant, blaming the NCP for constant delay and obfuscation. He said that different NCP officials say different things at different times about funding, and are often not available. "Only (Minister of State for Humanitarian Affairs) Ahmed Haroun makes himself available and tries to help," he noted.

19. (SBU) Mayok said that the AIA has not hired technical staff yet because it only has assurances of that \$1 million dollars (\$2 million Sudanese Pounds) available. It has no vehicles despite a promise of 10 landcruisers in September 2008. He added that the NCP constantly seeks to involve the Misseriya into discussions about funding. Mayok was pressed to agree to come to Khartoum as soon as possible to iron out these financial roadblocks and to spend more time in a simmering Abyei rather than sulking in Juba and attending to private business interests. At the end of two hours, he seemed to

reluctantly agree to do so noting that "I agree that someone needs to break this cycle".

Comment

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¶10. (SBU) The Byzantine procedures described by the GoS at the AEC informal meeting are complicated and confusing, and it is no wonder that the suspicious and, perhaps, overwhelmed and unprepared Mayok is frustrated. This is compounded by his legitimate mistrust of the NCP and suspicion that he has been given the runaround in his previous efforts to free-up funding for his Administration. AEC coordinators, including the U.S., will work with him to try to make sure he understands fully the necessary steps. He will need to be proactive and aggressive in carrying them out and quickly putting to use the funds that become available. Abyei remains an extremely volatile place and urgently needs that money. Even though NCP officials are not entirely wrong in shifting some of the blame to a passive Mayok, CDA Fernandez has told several NCP officials that we hold the GNU accountable for the lack of transfer of money to the AIA, regardless of the challenges inherent in making the appropriate financial arrangements and AIA's obvious weaknesses. Much of the NCP rhetoric about the AIA was eerily similar to NCP excuses we have heard in the past about not funding the TDRA or not fulfilling the NCP's commitment to the Eastern Sudan Peace Agreement. They use legitimate bureaucratic and fiscal questions as a cloak to delay and evade funding past and possibly future opponents of the NCP.

FERNANDEZ